

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION,)	
)	
)	
Plaintiff,)	
v.)	No. 19-CV-12127-WGY
)	
SHUANG CHEN, et al.,)	
)	
)	
Defendants.)	
)	
WEIGUO GUAN et al.,)	
)	
)	
Relief Defendants.)	
)	

Plaintiff's Motion to Extend the Motions for Default Judgments Filing Date

Plaintiff Securities and Exchange Commission (the "Commission") hereby respectfully requests that the Court extend the date from June 10, 2020 to August 31, 2020 by which it must file motions for default judgment as to the defendants and relief defendants against whom clerk's defaults were issued on May 11, 2020. See Dkt. No. 110. The Commission also requests until August 31, 2020 to file motions for default judgment as to the additional defendants and relief defendants against whom the Commission has today filed a motion for clerk's defaults.¹ See Dkt. No. 114. The grounds for this motion are set forth further below.

¹ The Commission recognizes that the Court's Standing Order requires motions for default judgments to be filed within 30 days of the entry of the clerk's default and, therefore, if the Court grants the relief requested in Dkt. No. 114, the Commission would likely be required to file motions for default judgments as to the additional defaulting defendants and relief defendants at some point in early July 2020.

Background

On May 11, 2020, the Court granted the Commission’s Motion for Entry of Default as to Certain Defendants and Relief Defendants (hereinafter referred to as the “First Defaulting Defendants and Relief Defendants”) who had been charged in the Commission’s initial complaint (the “Initial Complaint”), filed on October 15, 2019. See Dkt. Nos. 1, 94, 110. The Court’s Standing Order requires the Commission to file motions for default judgment as to the First Defaulting Defendants and Relief Defendants by June 10, 2020. Dkt. No. 112 (requiring dispositive motions to be filed within 30 days of the entry of clerk’s defaults).

The First Defaulting Defendants and Relief Defendants include all defendants and relief defendants subject to the Initial Complaint except: Jiali Wang, Vicky Liu, Xiaosong Wang, Luping Wang, and Shun Sui. Although Jiali Wang, Xiaosong Wang, and Shun Sui have not answered the Initial Complaint, the Commission has been conferring with their respective attorneys and the Commission anticipates filing motions with the Court to enter consented-to judgments as to each.² Similarly, the Commission anticipates filing a motion with the Court to enter a consented-to judgment as to Vicky Liu.

On December 23, 2019, the Commission filed an amended complaint (the “Amended Complaint”). Dkt. No. 74. The Amended Complaint added Defendants Wenwen Du and Honglei Shi, and Relief Defendants Song Geng, Qinghua Ren, Jixiang Teng, Cuihua Wang, Xiangjia Yang, Xiuchen Zhang, Wannian Investment, Inc., and WV Forrest Investments, LLC. Id. Today, the Commission filed a Motion for Entry of Clerk’s Defaults as to each of these additional defendants and relief defendants (hereinafter referred to as the “Second Defaulting

² Counsel for Xiaosong Wang and Shun Sui has informed undersigned counsel that they may also represent Luping Wang for settlement purposes, and as a result, the Commission has not yet moved to default Luping Wang.

Defendants and Relief Defendants”) with the exception of Wannian Investment, Inc. Dkt. No. 114.

Wannian Investment, Inc. is represented by the same counsel who represents Vicky Liu. And, like Vicky Liu, the Commission anticipates filing a motion with the Court for the entry of a final disposition of the case against Wannian Investment, Inc.

Relief Requested

The Commission seeks the relief requested herein—that is, an extension to file the motions for default judgments against the First and Second Defaulting Defendants and Relief Defendants until August 31, 2020—for the following reasons:

First, the Commission intends to request that the Court enter final judgments ordering disgorgement to be paid on a joint and several basis between various defendants and relief defendants, such as between Jiali Wang and certain defaulting defendants and relief defendants and/or Xiaosong Wang and certain defaulting defendants and relief defendants. The Commission believes that navigating the manner in which each defendant and relief defendant is connected, and fashioning appropriate final judgments—whether through consented-to judgments or default judgments—will be much more efficient if the Court can consider final dispositions as to all defendants and relief defendants at the same time.

Second, due to the Commission’s internal review and approval process as well as ongoing settlement negotiations, undersigned counsel do not believe they will be authorized to request that the Court enter settlements with the defendants and relief defendants referenced herein prior to June 10, 2020. But, undersigned counsel do anticipate being authorized to do so by or before August 31, 2020. At that point, undersigned counsel believe they will be in position to provide the Court with a basis to dispose of this entire case.

Conclusion

Based on the foregoing, the Commission respectfully requests that the Court extend the date by which the Commission must file motions for default judgments as to the First Defaulting Defendants and Relief Defendants and the Second Defaulting Defendants and Relief Defendants (if the Court grants the Commission's motion, Dkt. No. 114) to August 31, 2020.

SECURITIES AND EXCHANGE COMMISSION
By its attorneys,

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Dated: June 2, 2020

Certificate of Service

I, Eric A. Forni, certify that on June 2, 2020, a true and correct copy of Plaintiff's Motion to Extend the Motions for Default Judgments Filing Date was filed through the Court's CM/ECF system and, accordingly, the document will be sent electronically to the registered participants as identified on the Notice of Electronic Filing. In addition, all defendants and relief defendants will be promptly served by email either directly, or through counsel, at addresses attributed to them.

/s/ Eric A. Forni _____
Eric A. Forni